

Legislative Property Tax Study Committee Recommendations

Recommendation #1

Revenue diversification will be allowed for cities and counties. Any new revenue will be coupled with the following requirements:

At least 75 percent of the new revenue will be used to reduce property taxes. Of that new revenue at least two-thirds will be used to reduce commercial property taxes and the remainder will be used to reduce taxes on other classes of property.

The remaining new revenue will be used for:

- Public Safety
- Disaster Recovery and Prevention
- Infrastructure
- Energy Efficiency Improvements
- Service sharing that reduces the cost of government

Recommendation #2

The following nine alternative revenue options are commended, without recommendation, to the General Assembly for consideration.

1. Franchise fee – language to include legalizing provisions, up to 5%
2. Locally imposed hotel/motel tax increase of up to 2% or a \$1.50 per room/per night fee
3. Local option income surtax
4. Entertainment tax
5. Local option cigarette/tobacco tax
6. Real estate transfer fee
7. False alarm fees
8. Development impact fees
9. Payments in lieu of (property) taxes (PILOTS)

Recommendation #3

The General Assembly should consider an expenditure limitation component of any revenue diversification program.

Recommendation #4

Give cities and counties flexible bonding authority for disaster recovery if they meet a strict definition of disaster impact.

Recommendation #5

Sunset the LOST-TIF

Recommendation #6

The State of Iowa should establish a Commission on Smart Growth.